



Department of the Treasury  
Internal Revenue Service  
Cincinnati, OH 45999-0039

<b>Notice</b>	CP111
<b>Tax period</b>	December 31, 2016
<b>Notice date</b>	February 9, 2017
<b>Employer ID number</b>	nn-nnnnnnn
<b>To contact us</b>	Phone 1-800-829-0115

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s018999546711s  
ABC-XYZ COMPANY  
22 BOULDER STREET  
HANSON, CT 00000-7253

We made changes to your December 31, 2016 Form 940

**Refund due: \$3,214.43**

We believe there are miscalculations on your December 31, 2016 Form 940, which affects the following area of your return:

- credit computation

We made changes to your return that corrects these errors. As a result, your refund is \$3,214.43

### Summary

Payments you made	\$16,428.77
Tax you owe	14,341.26
Failure-to-file penalty	99.00
Interest charges	176.43
<b>Refund</b>	<b>\$3,214.43</b>

### What you need to do

Review this notice, and compare our changes to the information on your tax return.

#### If you agree with the changes we made

If you haven't already received a refund check for \$2,010.08, you should receive it within 2-3 weeks as long as you don't owe other tax or debts we're required to collect.

Continued on back...



ABC-XYZ Company  
22 Boulder Street  
Hanson, CT 00000-7253

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### Contact information

INTERNAL REVENUE SERVICE  
CINCINNATI, OH 45999-0150  
s018999546711s

If your address has changed, please call 1-800-829-0115 or visit [www.irs.gov](http://www.irs.gov).

☐ Please check here if you've included any correspondence. Write your Employer ID number (nn-nnnnnnn), the tax period (12/31/2016) and the form number (940) on any correspondence.

☐ a.m.  
☐ p.m.

☐ a.m.  
☐ p.m.

Primary phone	Best time to call	Secondary phone	Best time to call
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**What you need to do — continued**

**If you don't agree with the changes**

- Call 1-800-829-0115. Have your account information available to review with us. You can also contact us by mail. Fill out the Contact information section, detach, and send it to us with any correspondence or documentation.
- If we don't hear from you, we'll assume you agree with the information in this notice.

**Changes to your December 31, 2016 tax return**

- Information was changed because of the following:
- We found an error in the computation of the credit reduction amount.

**Tax calculations**

Description	IRS calculations
<b>Total taxes before adjustments</b>	<b>\$14,341.26</b>

**Credits and payments**

Description	IRS calculations
Adjustments for some excluded FUTA wages or late state payments	1,402.35
<b>Total tax after adjustment</b>	<b>12,938.91</b>
Total tax deposits	16,428.77
<b>Total tax deposits, credits, and payments</b>	<b>\$16,428.77</b>

**Payments credited to your account for tax period ending December 31, 2016**

The total amount of your payments, including deposits and credits, shown below, were applied to any change in taxes owed. Please call 1-800-829-0115 if any information is incorrect or missing.

Date received	Payment description	Amount
1/19/16	Federal tax deposit	\$648.41
1/19/16	Federal tax deposit	541.92
1/19/16	Federal tax deposit	95.36
1/20/16	Federal tax deposit	14,500.00
2/03/16	Federal tax deposit	643.08
Total		\$16,428.77

**Penalties**

We are required by law to charge any applicable penalties.

**Failure-to-file penalty**

Description	Amount
<b>Total failure-to-file</b>	<b>\$99.99</b>

We assess a 5% monthly penalty for filing your return late for each month or part of a month the return is late, for up to 5 months. When a penalty for paying late applies for the same month, the amount of the penalty for filing late for that month is reduced by the amount of the penalty for paying late for that month. The penalty for paying late is 1/2% for each month or part of a month. We base the monthly penalty for filing late on the tax required to be shown on the return that you didn't pay by the original return due date, without regard to extensions. We base the monthly penalty for paying late on the net unpaid tax at the beginning of each penalty month following the payment due date for that tax.  
(Internal Revenue Code Section 6651)

## Removal or reduction of penalties

We understand that circumstances—such as economic hardship, a family member's death, or loss of financial records due to natural disaster—may make it difficult for you to meet your taxpayer responsibility in a timely manner.

If you would like us to consider removing or reducing any of your penalty charges, please do the following:

- Identify which penalty charges you would like us to reconsider (e.g., 2005 late filing penalty).
- For each penalty charge, explain why you believe it should be reconsidered.
- Sign your statement, and mail it to us.

We'll review your statement and let you know whether we accept your explanation as reasonable cause to reduce or remove the penalty charge(s).

## Removal of penalties due to erroneous advice from the RS

If you were penalized based on written advice from the IRS, we will remove the penalty if you meet the following criteria:

- If you asked the IRS for written advice on a specific issue
- You gave us complete and accurate information
- You received written advice from us
- You relied on our written advice and were penalized based on that advice

To request removal of penalties based on erroneous written advice from us, submit a completed Claim for Refund and Request for Abatement (Form 843) to the IRS service center where you filed your tax return. For a copy of the form or to find your IRS service center, go to [www.irs.gov](http://www.irs.gov) or call 1-800-829-0115.

## Interest charges

We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly. (Internal Revenue Code section 6601)

We multiply your unpaid tax, penalties, and interest (the amount due) by the interest rate factor to determine the interest due each quarter.

Period	Days	Interest rate	Interest rate factor	Amount due	Interest charge
12/31/2016	30	5%	2.0	\$2,004.00	\$176.43
<b>Total interest</b>					<b>\$176.43</b>

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## **Additional interest charges**

If the amount you owe is \$100,000 or more, please make sure that we receive your payment within 10 work days from the date of this notice. If the amount is less than \$100,000, please make sure that we receive your payment within 21 calendar days from the date of this notice. If we don't receive full payment within these time frames, the law requires us to charge interest until you pay the full amount you owe.

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## **Additional information**

- Visit [www.irs.gov/cp111](http://www.irs.gov/cp111)
- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
- If you believe your small business has experienced excessive compliance or enforcement actions from any federal agency, you have the right to file a complaint with the Small Business Administration ombudsman. To learn more about your options and the Small Business Regulatory Enforcement Fairness Act, visit [www.sba.gov](http://www.sba.gov) and search for keyword: "ombudsman."
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.